

E-01933A-15-0032



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Arizona Corporation Commis Utilities Complaint Form

Investigator: Richard Martinez Phone: <<< REDACTED >>> Opinion Date: 2/23/2016
 Opinion Number: 2016 - 128960 Priority: Respond within 5 business days
 Opinion Codes: Rate Case Items - Opposed Closed Date: 3/7/2016 2:20 PM

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Nature Of Opinion

Docket Number: E-01933A-15-0032

Docket Position: Against

TEP rates can be increased based on their total cost to include infrastructure and a fair allowance beyond for a return on their investment. Therefore they are always motivated to grow the size of their capital investments. Therefore the proposed reduction in their support of home owner solar systems for homes based on the MIT study that larger groups of arrays produce more electricity at a lower cost should be suspect. However in the proposed case all customers would have to pay higher rates so TEP could construct its own solar capability and then charge the cost to all consumers at a future to be determined rate. However many thousands of home owners choose to purchase solar systems from their own pocket and a small amount is paid by other customers without arrays. In addition these private arrays have reduced the cost of new generation capacity a cost savings to all customers. Now TEP wants to increase cost to future private solar systems and also increase the cost to all customers so they can provide a competitive product where they control the future price. This means the consumers will be paying 100% of the cost of having additional solar capacity. When they now only pay 10% of the cost when private funds are used. Even with the additional efficiency of the large arrays the consumer is paying much more for that additional capacity. TEP is acting like any monopoly by making the competition product more expensive so they can force consumers to use their product. If the ACC approves these future expenditures it should be based on the analysis that their proposed solar solution produces electricity cheaper than their current plants. The ACC should also use analysis of net cost to the TEP customers what does it really cost them when X thousand of KW are added to the system via private investors verse the total cost for the TEP proposed large group arrays. Bottom line this proposal will increase the monopolistic power of TEP while decreasing the opportunity for competition to the consumer's at large.

Date: 3/7/2016 Analyst: Richard Martinez Investigation Submitted By: Telephone

Entered in the database for the record and docketed.

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Opinion 128960 - Page 1 of 1

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